

## Chapter 10.—Budget.

(C. A. C., Articles 153—162.)

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### Rules for the preparation of Budget Estimates.

#### GENERAL REMARKS.

162. The figures dealt with in a Budget Estimate extend over three years for which columns are provided in the forms issued by the Accountant General's office, thus :—

#### *Forms for Estimates of Revenue.*

Those for the chief heads of Revenue have columns as follows :—

I.—Actuals of the preceding year.

II.—Estimates for the current year—

(a) Original Estimate.

(b) Revised Estimate.

III.—Budget Estimate for the ensuing year—

(a) Estimating officer's figures.

(b) Controlling officer's figures.

Column I is filled in by the Accountant General's office with the figures brought to account on the Government books which Actuals, previous year. are the only "Actuals" recognised by Government.

Column II (a) also is filled in by Accountant General's office, either with Original Estimate, current the figures originally estimated by the Estimating year. officer or with the figures adopted by the Government of India if District details are available, which is seldom the case, for Revenue heads.

Column II (b) should be filled in by the estimating officer with a carefully prepared revision of the Estimate he made a year ago. This "Revised Estimate" should be prepared with very great care so as to avoid such incorrect forecasts as those noticed in Government Resolution (Financial) No. 2090, dated 4th August 1887. When the form of Estimate for any head provides no column for "Revised Estimate" it will, of course, be understood that such information is not required for that head.

Column III (a) should be filled in with a carefully prepared estimate of the Revenue to be collected and brought to account Budget Estimate, ensuing in the ensuing year (see Chapter 10, Article 155 of year. the C. A. C.); and should the Controlling Officer have any occasion to change the estimating officer's figures, he should

enter the revised figures in column III (b). Both officers are expected to give reasons, in the column of remarks (or in a separate note, if found more convenient) for any considerable increase or decrease over the figures in column II (b). The explanations should be as brief as is consistent with clearness.

*Forms of Estimates of Expenditure.*

163. The columns of these will be similar to the "Revenue" forms except that the column for the "Revised Estimate" will be omitted, and with this exception the remarks made in Article 162 above apply also to Estimates of Expenditure. For *fluctuating* charges the remarks should be made in strict accordance with Chapter 10, Article 155 (e) of the C. A. Code. The term "fluctuating" charges should be deemed to include all charges except "Salaries" and fixed establishment charges.

**DIVISION OF ESTIMATES BETWEEN IMPERIAL AND PROVINCIAL.**

164. As a rule the Division of the Estimates between "Imperial" and "Provincial" services is a matter with which the estimating officer has no concern, the division resting entirely with the Accountant General, and all that an estimating officer is expected to do is to estimate for the gross receipts and gross charges of his department in the form issued by the Accountant General.

**CLASSIFICATION OF CHARGES.**

165. The charges under each minor or sub-head are as far as practicable classed under the following divisions:—

- (1) Salaries;
- (2) Establishments;
- (3) Allowances;
- (4) Supplies and services;
- (5) Extraordinary charges;
- (6) Contingencies;

and as it is important that estimating officers should understand the meaning of these divisions, the following explanation is given.

*(1)—Salaries.*

166. This division is intended for salaries (including personal allowances and fixed allowances given for special duties, *e.g.*, Lunatic asylum allowances to Medical officers), of gazetted officers and of graded officers of any regular service (*e.g.*, Mámlatdárs, Sub-Registrars, Deputy Inspectors of schools, etc.). Every salary should be separately traceable in the Estimates, and in the case of Covenanted Civilians should be estimated for *minus* the 4 per cent. annuity deduction, thus:—

	Rs.
1 Chief Secretary (Rs. 3,750) 4	= 43,200
1 Under Secretary (Rs. 1,250) 4	= 14,400
2 Assistant Secretaries (Rs. 600) and (Rs. 480)	= 12,960
	<hr/>
	70,560

The figure 4 indicates that the holder of the office is a Covenanted Civilian and that the annual charge is therefore 4 per cent. less than the figure that would be arrived at by multiplying by 12 the monthly salary shown within brackets. With this exception, salaries will always be shown at their *gross* amount, Fund, income-tax and other deductions being neglected.

In the case of progressive salaries, the amount to be estimated for is the salary which will be due on the 1st April next following, to the *present substantive holder of the post*. No account is to be taken of future increments likely to fall due within the coming year or of any saving which is likely to accrue owing to the absence of the officer on furlough, etc. Such savings will be dealt with by the Accountant General, or sometimes in the case of large departments by the Controlling Officer.

(2)—*Establishments.*

167. In connection with this division it is necessary to carefully comply with Article 155, rule 3 (b) and (c) of the C. A. C. In connection with (b) the instructions given above in the last paragraph of Article 166 should be observed. In connection with (c) it is necessary in all cases to append a memorandum giving details of the establishment charges estimated for.

(3)—*Allowances.*

168. The following are to be entered under this class:—

- (1) Travelling allowances.
- (2) House-rent allowances (rent itself is a contingent charge).
- (3) Conveyance allowances.
- (4) Hill journey allowances (including all allowances under the Hill journey rules).
- (5) Grain compensation.
- (6) Commission to Sub-Registrars and village officers, for collecting income-tax and the like.
- (7) Allowances to companies for collecting income-tax.
- (8) Fees to Pleaders and other law officers.
- (9) Overtime.
- (10) Clothing allowances (Kāthiāwār).

“Allowances to (Gazetted) officers” should be estimated for quite distinctly from “Allowances to establishments.”

(4)—*Supplies and Services.*

169. The term “Contingencies” means “the petty expenditure incidental to the carrying on of business;” it *does not* mean everything that is not a salary or an establishment charge, and it is accordingly necessary to have a division “Supplies and services”—a term which includes expenditure which not being a “Salary,” an “Establishment” charge or an “Allowance” is not also a “Contingent charge” as defined above, but some expenditure peculiar to the department incurring it or special in itself.

1. The following items fall within the term “Supplies and services” :—  
Manufacturing charges (Salt, Opium);  
Cost, freight, etc., of spirits (Excise);  
Charges for field work in surveying;  
Purchase of instruments (Survey and others);  
Petty construction and petty repairs;  
Purchase of food for Jail or Police Department;

Dieting charges in hospitals ;  
 Supply of medicines ;  
 Purchase, and taking up, of land ;  
 Gardening charges in Botanical gardens ;  
 Postal conveyance in the Post Office ;  
 Remittance of treasure (within the District, etc.) ;  
 Charges for conducting law suits ;  
 Diet money to witnesses or to revenue defaulters ;  
 Way charges of escorts (Police) ;  
 Clothing (Police and Jails) ;  
 Arms and accoutrements ;  
 Secret service money ;  
 Feed and keep of cattle (Pounds) ;  
 Purchase of material (Printing) ;  
 Cost of boundary or survey marks ;  
 Way expenses of process servers ;  
 Freight and other charges on imported stores ;  
 Local purchases of coal, stores, etc. ;  
 Rewards to informers ;  
 Rewards to marksmen (Police) ;  
 Subsidy for conveyance of mails ;  
 Purchase of tents ;  
 Purchase of boats ;  
 Allowances (or batta) to prisoners under trial ;  
 Maintenance of boats ;  
 Mapping charges ;  
 Opium conveyance charges.

*(5)—Extraordinary Charges.*

170. The division "Extraordinary charges" is intended for the record of charges of a "special" or exceptional character not likely to recur in any other year and which therefore it is desirable to record separately in the accounts. Such, for instance, are the charges for the "Jubilee Celebrations" and the large sums spent for the destruction of locusts, etc. The circumstances which necessitate such expenditure will, ordinarily, not admit of an estimate of it being framed in anticipation. When, however, it can be foreseen, it will, of course, be estimated for.

*(6)—Contingencies.*

171. As already explained above, the term "Contingencies" means only "the petty expenditure incidental to the carrying on of business" and includes the following items amongst others :—

House, office or warehouse rent (as distinct from rent allowances) ;  
 Rates and taxes ;  
 Charges for water-supply (including water-rate) ;  
 Country stationery ;  
 Postage charges ;  
 Telegram charges ;  
 Purchase of furniture ;  
 Repairs of furniture ;  
 Clothing to peons, etc. ;  
 Carriage of tents and records ;  
 Hot weather establishments ;

Miscellaneous office expenses;  
 Hill journey charges (*not allowances*);  
 Section writing.

It must be understood that "Contract contingencies" must be estimated for, just as if there was no contract, except that the items should be bracketted together or otherwise distinguished so as to show that the contract figure is not exceeded.

#### REFERENCE TO SANCTION.

172. In the case of fixed receipts, such as Municipal contributions to schools or hospitals, or of fixed charges (other than salaries and establishments) such as grants-in-aid to dispensaries or grants-in-aid to schools, the orders fixing the amounts should always be quoted for reference.

#### SANCTION TO NEW CHARGES.

173. Particular attention should be given to Article 155 (g), C. A. C., and the note under it, as no new charge can be admitted by the Accountant General without previous sanction and, ordinarily, such items will simply be cut out as unauthorised if the rule is not attended to, as time will not allow of the Accountant General's office entering into correspondence on such matters when the estimates are under consideration.

(1) When provision is made for the "purchase of office furniture" or of stores, details thereof, such as the description of articles required and their probable cost, should be given in a separate schedule. Provision for articles costing more than Rs. 500 or of an extraordinary character will be disallowed from the Estimate unless specially sanctioned by Government.

(2) When provision is made for the purchase of tents or other items of periodical supplies or contingencies, the date of the last supply should be quoted and reference given in the column of remarks to the general or special sanction under which the Estimate is made.

174. Care should be taken to include in the estimates all charges expected to be actually paid (under proper sanction) during the year. This caution is given, as during past years several applications were received late in the year to make additions to the departmental estimates which could not be complied with, owing to the pressure of urgent Budget work, and to the fact that no additions can be made in the estimates after they are once closed, i.e., after the 31st December of each year.

#### DUE DATE.

175. All Imperial and Provincial Estimates should reach the Accountant General's office punctually on the 1st October. This date has been fixed to enable the Accountant General to compile the Estimates with care and accuracy in communication with Government, and as the work cannot be done satisfactorily unless the Estimates are punctually received, it will be necessary to report every case of delay for the orders of Government—*vide* paragraph 2 of Government Resolution (Financial) No. 2224, dated 18th August 1887.

#### URGENT BUDGET REFERENCES.

176. All references which the Accountant General may find it necessary to make regarding Budget Estimates will be headed "Urgent Budget reference," and these should, as far as practicable, be allowed precedence over other work and be replied to by return post. It must be remembered that unless a reply is received quickly it will be, generally, of no use whatever, as the Estimates cannot be delayed.

## LIST OF CONTROLLING OFFICERS.

177. The following is a list of Controlling Officers and the dates on which Estimates should reach them:—

MAJOR HEADS.		Controlling Officers.	Dates.	
Revenue.	Expenditure.			
.....	* 1—Refunds and Drawbacks.	.....	.....	.....
.....	2—Assignments and Compensations.	Commissioners of Divisions, Commissioner in Sind and the Commissioner of Customs, Salt, Opium and Atpkari.	September.	10th.
I.—Land Revenue Do. Alienated .....	3—Land Revenue .....	Commissioners of Divisions and Commissioner in Sind.	Do. ....	1st.
II.—Opium .....	4—Opium .....	Ditto ditto .....	Do. ....	1st.
III.—Salt .....	5—Salt .....	Commissioner of Customs, Salt, Opium and Atpkari.	Do. ....	10th.
IV.—Stamps .....	6—Stamps .....	Ditto and Commissioner in Sind.	Do. ....	1st.
V.—Excise .....	7—Excise .....	Superintendent of Stamps, Bonbay.	Do. ....	8th.
VII.—Customs .....	9—Customs .....	Commissioner of Customs, Salt, &c., and Commissioner in Sind.	Do. ....	1st to 5th.
VIII.—Assessed Taxes .....	10—Assessed Taxes .....	Ditto ditto .....	Do. ....	1st to 5th.
X.—Registration .....	12—Registration .....	Commissioners of Divisions and Commissioner in Sind.	Do. ....	5th.
XI.—Tributes .....	.....	Inspector-General of Registration.	Do. ....	10th.
.....	* 13—Interest on Ordinary Debts .....	Commissioners of Divisions for Minor Political Agencies.	.....	.....
.....	* 14—Interest on other obligations .....	.....	.....	.....
XIII.—Post Office .....	15—Post Office .....	Post Master General and Deputy Post Master General in Sind.	September.	10th.
XV.—Mint .....	17—Mint .....	.....	.....	.....
.....	18—General Administration.	.....	.....	.....
XVII.—Law and Justice, Courts of Law, Criminal Courts.	19A—Law and Justice Courts of Law, Criminal Courts.	Commissioners of Divisions (a), and Commissioner in Sind.	September.	1st to 10th.
Law Officers .....	Law Officers .....	Legal Remembrancer .....	Do. ....	1st to 10th.
XVIII.—Jails .....	18B—Jails .....	Inspector-General of Prisons .....	Do. ....	1st to 10th.
XVII.—Police .....	20—Police .....	Inspector-General of Police .....	Do. ....	10th.
XVIII.—Marine .....	21—Marine .....	.....	.....	.....
XIX.—Education .....	22—Education .....	Director of Public Instruction .....	September.	1st.
.....	23—Ecclesiastical .....	Archdeacon of Bombay for Church of England.	Do. ....	6th.
XX.—Medical .....	24—Medical .....	Surgeon-General with the Government of Bombay and the Sanitary Commissioner for Sanitation and Vaccination.	Do. ....	1st.
.....	25—Political .....	Commissioners of Divisions for Minor Agencies only.	Do. ....	5th.
XXI.—Scientific and other Minor Department.	26—Scientific and other Minor Department.	Director of Public Instruction, Director of Land Records and Agriculture and Superintendent of Horse-Breeding Operations.	Do. ....	1st to 10th.
.....	* 27—Territorial and Political Pensions.	.....	.....	.....
.....	* 28—Civil Furlough and Absentee Allowances.	.....	.....	.....
*XXII.—Receipts in aid of Superannuation.	29—Superannuation allowances and Pensions.	.....	.....	.....
*XXIII.—Stationery and Printing.	30—Stationery and Printing.	.....	.....	.....
XXV.—Miscellaneous .....	32—Miscellaneous .....	Commissioners of Divisions and Commissioner in Sind.	September.	5th to 10th.
.....	Ditto ditto .....	Ditto ditto .....	Do. ....	5th to 10th.
XXXII.—Civil Works .....	45—Civil Works .....	.....	.....	.....

\* Estimates for these major heads will be either prepared by the Accountant General for the whole Presidency or will be sent direct to him by estimating officers.

(a) For District Magistrates and their subordinates only—*vide* Resolution (F. D.), No. 126, dated 9th January 1889.

*Land Revenue Estimates.*

178. In addition to the ordinary estimate of Land Revenue receipts which is submitted, through the Commissioner, in October of each year, it is necessary, owing to the importance of the receipts, to call for fresh estimates in January, February and March, so as to enable the Accountant General to report to the Government of India any changes which may be found necessary on later information. The forms for these estimates will be sent by the Accountant General early in December, and should be returned duly filled in so as to reach him at latest by the 7th January, 4th February, and 3rd March.

179. It will be observed from the forms that the "Revised Estimate" for each current year is to be based on the—

(1) Actuals of the months that have already passed at the time of submitting the estimate, and

(2) The receipts that will probably be realized during the remaining months.

The figures to be filled in are therefore—

		Actuals.	Estimates.
January	...	...	9 months.
February	...	10 "	2 "
March	...	11 "	1 month.

Explanation should of course be given in the "Remarks" column of the form of the causes of any large differences between the "Revised Estimate" previously furnished and the fresh estimate.

180. The Budget Estimate for the succeeding year should be for the demands of that year, modified by any known facts that will affect the demand for the year, or, in other words, what is actually expected to be received in that year. An estimate based on a three years' average is not at all suited to Land Revenue, which is affected by such causes as (1) revision in the rates of assessment, (2) deferred collections owing to bad seasons, etc., (3) favourable seasons. The Government of India attach great importance to the estimates of Land Revenue, as it constitutes the largest item in the Budget. It is, therefore, necessary that the estimates should be very carefully prepared from all available sources in the Revenue (not the Treasury) Department.

181. A further estimate should be furnished in June (so as to reach the Accountant General by the 15th June at latest). The figures required are for each current year only, and should be based on two months' actuals, and the expected receipts of ten months, the causes of any difference between the estimates framed in March and in June being explained in the column of remarks.

182. The estimates prescribed in Articles 178 to 181 should be sent to the Accountant General direct.

**Punctual submission of the Consolidated Local Boards Budget under Local Boards Rule 19.**

183. The Consolidated Local Fund Budget should be submitted to the Accountant General punctually. Under Section 57 of the Act the due date for the submission of the Budget is 10th December, but Government have directed

that whenever possible the Budget should be submitted to the Accountant General by the 20th November (G. R., F. D., No. 7523, dated 24th October 1890). Every effort should accordingly be made to despatch the Budget Estimates in time to ensure their receipt in his office on or before the 20th November, so that there may be no delay in the compilation of the general estimates of the Presidency which are due for submission to Government before the 20th of December. Sections 53 to 59 of the Local Boards Act I of 1884 prescribe the procedure to be followed in connection with Budgets.

In preparing the Budget the general rules laid down in Article 155, C. A. C., should be observed as far as possible.

**184.** The Public Works expenditure by Public Works and Civil Agencies should be classified in accordance with the following heads of classification which are prescribed by the Public Works Code:—

Classification.							Original Works.	Repairs.	Remarks.
<i>Civil Buildings.</i>									
Land Revenue	...	...	...	...	...	...			
Administration	...	...	...	...	...	...			
Educational	...	...	...	...	...	...			
Medical	...	...	...	...	...	...			
Miscellaneous	...	...	...	...	...	...			
Works in progress *	Rs.						Total Rs.		
Works not commenced *	„								
<i>Communications.</i>									
Metalled Roads—									
Bridged and drained throughout	...	...	...	...	...	...			
Partially bridged and drained	...	...	...	...	...	...			
Unmetalled Roads—									
Bridged and drained throughout	...	...	...	...	...	...			
Partially bridged and drained	...	...	...	...	...	...			
Roads—									
Banked and surfaced with "Muram" or similar material, but not drained	...	...	...	...	...	...			
Banked, but not surfaced, partially bridged and drained	...	...	...	...	...	...			
Cleared, partially bridged and drained	...	...	...	...	...	...			
Cleared only	...	...	...	...	...	...			
Boat-bridges and ferries	...	...	...	...	...	...			
Accommodation for travellers	...	...	...	...	...	...			
Arboriculture	...	...	...	...	...	...			
Works in progress *	Rs.						Total Rs.		
Works not commenced *	„								
<i>Miscellaneous Public Improvements.</i>									
Towns	...	...	...	...	...	...			
Markets	...	...	...	...	...	...			
Paving streets	...	...	...	...	...	...			
Lighting	...	...	...	...	...	...			
Water-supply	...	...	...	...	...	...			
Sewage and drainage	...	...	...	...	...	...			
Miscellaneous	...	...	...	...	...	...			
Works in progress *	Rs.						Total Rs.		
Works not commenced *	„								
Total Works and Repairs, „									
Establishment	...	...	...	...	...	...			
Tools and Plant	...	...	...	...	...	...			
Grand Total Rs...									

\* This information should be given only in the case of "Original Works."

**Estimates of Public Works in charge of Public Works Officers.**

185. The Accountant General is required to furnish to the Government in the Public Works Department, the figures of estimated expenditure on Local Fund Public Works to be carried out by the agency of that Department during the Budget year. A statement showing the probable amount of outlay should accordingly be furnished to the Accountant General punctually by the 15th November in each year, showing the proposed expenditure under the heads of classification given in the preceding article. The grants for "Original Works" under the Departmental heads "Civil Buildings, Communications and Miscellaneous Public Improvements" should be distributed between "Works in Progress" and "Works not commenced."